



**R. Booth Goodwin II, United States Attorney
Southern District of West Virginia**



FOR IMMEDIATE RELEASE
April 18, 2011
<http://www.usdoj.gov/usao/wvs/>

CONTACT: Melvin Smith
800-659-8726*(304)345-2200
Melvin.Smith@usdoj.gov

**PUTNAM COUNTY MAN SENTENCED ON FEDERAL MORTGAGE FRAUD
AND TAX EVASION CHARGES**

CHARLESTON, W.Va. – Todd Joyce, 38, of Hurricane, Putnam County, West Virginia was sentenced to 18 months in prison today by U.S. District Judge Thomas E. Johnston on federal mortgage fraud and tax evasion charges. He will also serve five years on supervised release after his prison term. Joyce pleaded guilty in September 2010 to a two-count information charging him with making a false statement to a banking institution and tax evasion.

“This is exactly the sort of conduct that got our country into a financial mess,” stated U.S. Attorney Booth Goodwin. “The defendant cheated on his taxes, lied to get money from a bank, and, in the process, hurt us all.”

In 2006, Joyce applied for an \$800,000 construction loan to build a “spec home” in the Stonegate subdivision located in Hurricane, West Virginia. In support of his loan application, the defendant sent United Bank a 2005 tax return in March 2006, indicating that he and wife earned nearly \$450,000 in income for the previous year. Less than a month later, in April 2006, Joyce filed a 1040 tax return to the Internal Revenue Service (IRS) reporting that he made zero dollars in 2005. United Bank relied upon Joyce’s representations and tax return information in making the construction loan. The defendant ultimately defaulted on the construction loan. The Court also ordered the defendant to pay \$420,000 in restitution to United Bank.

For the year 2007, Joyce and his wife, Deborah, received more than \$500,000 from various real estate and investment ventures during that year. The couple filed a tax return to the IRS that reported only \$34,000 in income, including a claim for Earned Income Credit. Joyce and his wife admitted to willfully filing a false 1040 tax return form with the Internal Revenue Service that grossly underreported their actual income. Joyce agreed to cooperate with the IRS to determine the extent of his income tax liability.

At sentencing, Judge Johnston stated, “For someone who has had a mortgage now, and in the past, this is appalling.” The Judge further added, “A sentence that serves as a deterrence is important in ‘teaching you and others that fraud has no place in the life of productive citizens.’”

The defendant’s wife, Deborah, was sentenced earlier this month to 46 months in prison and five years of supervised release for various charges stemming from her involvement in a \$2.3 million mortgage fraud scheme involving properties at the Stonegate subdivision in Hurricane. She previously admitted to misleading investors and banks in order to advance the mortgage fraud scheme.

This case was investigated by the Federal Bureau of Investigation and the Internal Revenue Service, Criminal Division. Assistant United States Attorney Thomas Ryan handled the prosecution.

This case was prosecuted as part of President Obama’s Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who,

working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

#